

to the account of Cede & Co. on the Interest Payment Date at the address indicated on the Record Date for Cede & Co. in the registry books of the County kept by the Paying Agent.

(b) The Series 2002-B Warrants shall be initially issued in the form of a separate single authenticated fully registered warrant in the principal amount of each separately stated maturity for each separate series. Upon initial issuance, the ownership of each such Series 2002-B Warrant shall be registered in the registry book of the County kept by the Paying Agent in the name of Cede & Co., as nominee of DTC. The Paying Agent and the County may treat DTC (or its nominee) as the sole and exclusive owner of the Series 2002-B Warrants registered in its name for the purposes of payment of the principal or redemption price of or interest on such Series 2002-B Warrants, selecting such Series 2002-B Warrants or portions thereof to be redeemed, giving any notice permitted or required to be given to Holders of Series 2002-B Warrants under the Indenture, registering the transfer of Series 2002-B Warrants, obtaining any consent or other action to be taken by Holders of Series 2002-B Warrants and for all other purposes whatsoever; and neither the Paying Agent nor the County shall be affected by any notice to the contrary. Neither the Paying Agent nor the County shall have any responsibility or obligation to any DTC participant, any Person claiming a beneficial ownership interest in the Series 2002-B Warrants under or through DTC or any DTC participant, or any other Person which is not shown on the registration books of the County kept by the Paying Agent as being a Holder of Series 2002-B Warrants. The County and the Paying Agent shall have no responsibility with respect to the accuracy of any records maintained by DTC, Cede & Co. or any DTC participant with respect to any ownership interest in the Series 2002-B Warrants; the payment by DTC or any DTC participant to any beneficial owner of any amount in respect of the principal or redemption price of or interest on the Series 2002-B Warrants; the delivery to any DTC participant or any beneficial owner of any notice which is permitted or required to be given to Holders of the Series 2002-B Warrants under the Indenture; the selection by DTC or any DTC participant of any Person to receive payment in the event of a partial redemption of the Series 2002-B Warrants; or the authority for any consent given or other action taken by DTC as the Holder of Series 2002-B Warrants. The Paying Agent shall pay all principal of and premium, if any, and interest on the Series 2002-B Warrants only to Cede & Co., as nominee of DTC, and all such payments shall be valid and effective to fully satisfy and discharge the County's obligations with respect to the principal of and premium, if any, and interest on such Series 2002-B Warrants to the extent of the sum or sums so paid. Upon delivery by DTC to the Paying Agent of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co. and direction to effect such change on the registry books maintained by the Paying Agent, the term "Cede & Co." in the Indenture shall refer to such new nominee of DTC.

(c) In the event the County determines that it is in the best interest of the beneficial owners of the Series 2002-B Warrants that they be able to obtain warrant certificates, the County may notify DTC and the Paying Agent of the availability through DTC of warrant certificates. In such event, the Paying Agent shall issue, transfer and exchange warrant certificates as requested by DTC and any other Holders of Series 2002-B Warrants in appropriate amounts. DTC may determine to discontinue providing its services with respect to the Series 2002-B Warrants at any time by giving notice to the County and the Paying Agent and discharging its responsibilities with respect thereto under applicable law. Under such circumstances (if there is no successor securities

depository), the County and Paying Agent shall be obligated to deliver warrant certificates as described in the Indenture. In the event warrant certificates are issued to Holders of the Series 2002-B Warrants other than DTC, the provisions of Article V of the Original Indenture shall apply to, among other things, the transfer and exchange of such certificates and the method of payment of principal of and interest on such certificates. Whenever DTC requests the County and the Paying Agent to do so, the County and the Paying Agent will cooperate with DTC in taking appropriate action after reasonable notice (i) to make available one or more separate certificates evidencing the Series 2002-B Warrants to any DTC participant having Series 2002-B Warrants credited to its DTC account or (ii) to arrange for another securities depository to maintain custody of certificates evidencing the Series 2002-B Warrants.

(d) Notwithstanding any other provision of the Indenture to the contrary, so long as any Series 2002-B Warrant is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to the principal of and premium, if any, and interest on such Series 2002-B Warrant and all notices with respect to such Series 2002-B Warrant shall be made and given to DTC as provided in the Representation Letter to be signed by the County and the Paying Agent on or prior to the date of issuance and delivery of the Series 2002-B Warrants and accepted by DTC. Without limitation of the foregoing, so long as any Series 2002-B Warrant is registered in the name of Cede & Co., as nominee of DTC, the Paying Agent shall send a copy of any notice of redemption by overnight delivery not less than thirty (30) days before the redemption date to DTC, but such mailing shall not be a condition precedent to such redemption and failure to so mail any such notice (or failure of DTC to advise any DTC participant, or any DTC participant to notify the beneficial owner, of any such notice or its content or effect) shall not affect the validity of the proceedings for the redemption of the Series 2002-B Warrants.

(e) In connection with any notice or other communication to be provided to Holders of the Series 2002-B Warrants pursuant to the Indenture by the County or the Paying Agent with respect to any consent or other action to be taken by Holders of the Series 2002-B Warrants, so long as any Series 2002-B Warrant is registered in the name of Cede & Co., as nominee of DTC, the County or the Paying Agent, as the case may be, shall establish a record date for such consent or other action and give DTC notice of such record date not less than fifteen (15) calendar days in advance of such record date to the extent possible.

(f) In the event of any inconsistency between the provisions of this Section 5.5 and any other provision of the Indenture or the forms of Series 2002-B Warrants, the provisions of this Section 5.5 shall govern so long as warrant certificates have not been issued to the Holders of the Series 2002-B Warrants other than DTC in accordance with Section 5.5(c) hereof.

Section 5.6 Amendment of Certain Definitions. Notwithstanding anything to the contrary contained in the Original Indenture or any of the supplements thereto, the following definitions are hereby amended to read as follows for purposes of the Indenture, with such amendments to be effective immediately upon the delivery of this Fifth Supplemental Indenture and prior to the delivery of the Series 2002-B Warrants:

"Maximum Annual Debt Service" means the maximum amount payable in a Fiscal Year as principal of and interest on the Parity Securities then outstanding and, if applicable, any Additional Parity Securities with respect to which a Revenue Certificate or Revenue Forecast (as those terms are defined and used in Section 10.2 of the Original Indenture) is prepared and delivered, subject to the following assumptions and adjustments:

(1) that the principal amount of any such securities required by the terms thereof to be redeemed or prepaid during any Fiscal Year shall, for purposes of this definition, be considered as maturing in the Fiscal Year during which such redemption or prepayment is required and not in the Fiscal Year in which their stated maturity or due date occurs;

(2) for purposes of determining the amounts of principal and interest due in any Fiscal Year on any Parity Securities that constitute Tender Indebtedness, the options or obligations of the owners of such Parity Securities to tender the same for purchase or payment prior to their stated maturity or maturities shall be treated as a principal maturity occurring on the first date on which owners of such Parity Securities may or are required to tender such Parity Securities for purchase or payment, except that any such option or obligation to tender Parity Securities shall be ignored and not treated as a principal maturity, and such Parity Securities shall be deemed to mature in accordance with their stated maturity schedule, if such Parity Securities are rated in one of the two highest long-term rating categories (without reference to gradations such as "plus" or "minus") by at least two Rating Agencies or such Parity Securities are rated in the highest short-term, note or commercial paper rating categories (without reference to gradations such as "plus" or "minus") by at least two Rating Agencies;

(3) the interest rate on any Variable Rate Securities subsequent to the date of calculation shall be assumed to be the lowest of (A) the maximum rate of interest that may be applicable to such Parity Securities, under the provisions thereof, (B) for so long as any hedging agreement that establishes a cap rate for such Parity Securities is in effect, such cap rate, and (C) the highest of (i) the actual interest rate on the date of calculation, or if the Variable Rate Securities in question are not yet outstanding, the initial rate (if established and binding), (ii) if the Variable Rate Securities in question have been outstanding for at least twelve months, the average rate over the twelve months immediately preceding the date of calculation, and (iii) (x) if interest on the Variable Rate Securities in question is excludable from gross income under the applicable provisions of the Code, the average of the various rates published as the BMA Municipal Swap Index (or comparable index if no longer published) during the ten year period ending on the last day of the month immediately preceding the date of determination, plus fifty (50) basis points, or (y) if interest on such Variable Rate Securities is not so excludable, the interest rate on direct U.S. Treasury obligations with comparable maturities;

(4) the debt service payable with respect to any Parity Securities for which the County has entered into a Qualified Swap pursuant to which the County has agreed to make payments calculated by reference to a fixed rate of interest shall be calculated as if the Parity Securities bore interest at such fixed rate during the term of such Qualified Swap;

(5) the debt service payable with respect to any Parity Securities for which the County has entered into a Qualified Swap pursuant to which the County has agreed to make payments calculated by reference to variable interest rates shall be calculated as if the Parity Securities in question bore interest, during the term of such Qualified Swap, at a rate equal to the lowest of (A) for so long as any hedging agreement that establishes a cap rate with respect to such Qualified Swap remains in effect, such cap rate, or (B) the highest of (i) the actual rate of such Qualified Swap on the date of calculation, or if such Qualified Swap is not yet in effect, the initial rate (if established and binding), (ii) if the Qualified Swap has been in effect for at least twelve months, the average rate over the twelve months immediately preceding the date of calculation, and (iii) (x) if interest on the Parity Securities to which such Qualified Swap is referable is excludable from gross income under the applicable provisions of the Code, the average of the various rates published as the BMA Municipal Swap Index (or comparable index if no longer published) during the ten year period ending on the last day of the month immediately preceding the date of determination, plus fifty (50) basis points, or (y) if interest on such Parity Securities is not so excludable, the interest rate on direct U.S. Treasury obligations with comparable maturities;

(6) there shall be excluded any principal of or interest on any Parity Securities to the extent there are available and held in escrow or under a trust agreement (i) moneys sufficient to pay such principal or interest, (ii) Permitted Defeasance Obligations which, if the principal thereof and the interest thereon are paid according to their tenor, will produce moneys sufficient to pay such principal of interest, or (iii) both moneys and such Permitted Defeasance Obligations which together will produce funds sufficient to pay such principal or interest; and

(7) the County may assume that all or any portion of outstanding Parity Securities that are subject to optional redemption provisions will be redeemed in one or more installments that are consistent with such provisions and may adjust the expected payment schedule with respect to such Parity Securities to reflect such assumed redemptions.

In any case where, for purposes of determining Maximum Annual Debt Service, a portion of the principal of any Parity Securities is to be excluded, there shall also be excluded interest on the principal so excluded.

"Net Revenues Available for Debt Service" means, for any period, the difference between (A) the sum of (i) the total amount of System Revenues accrued during such period, and (ii) the amount of interest earned during such period on moneys held in the Indenture Funds (to the extent that such interest is not taken into account pursuant to the preceding clause (i)) and (B) the total amount of Operating Expenses incurred during such period (determined in accordance with generally accepted accounting principles).

Section 5.7 Amendment of Conditions Precedent to Issuance of Additional Parity Securities. Notwithstanding anything to the contrary contained in the Indenture, the County shall not be required to deliver a Revenue Certificate or Revenue Forecast to the Trustee in connection with the issuance of a series of Additional Parity Securities for refunding purposes if, in lieu thereof, the County delivers to the Trustee a certificate signed by the County's Director of Finance or an Independent Investment Advisor stating (i) that the Maximum Annual Debt Service immediately after the issuance of such Additional Parity Securities will not be greater than the Maximum Annual Debt Service immediately prior to the issuance of such Additional Parity Securities and (ii) that the total debt service expected to be due and payable on such Additional Parity Securities will be less than the total debt service that would be due and payable after the issuance date of such Additional Parity Securities on those of the Parity Securities being refunded if such refunding did not occur.

Section 5.8 Subordinate Debt Fund. There is hereby established a special trust fund, the name of which shall be the "Jefferson County Sewer System Subordinate Debt Fund." The Governing Body may at any time and from time to time designate any banking institution or institutions as depository or depositories for the Subordinate Debt Fund, provided that each such depository so designated shall at all times while acting as such be and remain a member of the Federal Deposit Insurance Corporation or of any agency of the United States of America that may succeed to its functions, if there be any such, and shall be and remain duly qualified to do business in the State of Alabama.

On or before each February 15 and each August 15, the County may pay into the Subordinate Debt Fund from the Revenue Account, after there shall have been made from the Revenue Account all payments required to be made on or before such date into the Debt Service Fund and the Reserve Fund (but before any transfers have been made with respect to such date into the Rate Stabilization Fund or the Depreciation Fund), an amount equal to the lesser of (i) one-half (1/2) of twenty-five percent (25%) of the Maximum Annual Debt Service determined as of the date of such deposit, or (ii) the aggregate debt service becoming due and payable during the then next succeeding six months with respect to obligations secured by a pledge of the Pledged Revenues that is subject and subordinate to the pledge made in the Indenture to secure the payment of Parity Securities.

Section 5.9 Amendment of Section 4.1 of Original Indenture. Section 4.1 of the Original Indenture is hereby amended to read as follows:

Section 4.1 Execution of Parity Securities. The Parity Securities shall be executed by the President or President Pro Tem of the Governing Body (or, in the case of any particular series of Parity Securities, any other member of the Governing

Body authorized to do so in the resolution of the Governing Body authorizing the issuance of such series of Parity Securities), and the seal of the County shall be affixed thereto and attested by the Minute Clerk of the Governing Body (or, in the case of any particular series of Parity Securities, any other officer or employee of the County authorized to do so in the resolution of the Governing Body authorizing the issuance of such series of Parity Securities); provided that the signatures of the said officers on the Parity Securities may be facsimiles of their actual signatures; and provided further that a facsimile of the seal of the County may be imprinted on the Parity Securities rather than manually affixed thereto. Signatures on the Parity Securities by persons who were officers of the County at the time such signatures were written or printed shall continue effective although such persons cease to be such officers prior to the authentication of the Parity Securities or the delivery thereof.

Section 5.10 Tax Covenants. The County recognizes that the Holders of the Series 2002-B Warrants from time to time will have accepted them on, and paid therefor a price which reflects, the understanding that interest on the Series 2002-B Warrants is excluded from gross income for federal income tax purposes under the laws in force at the time the Series 2002-B Warrants shall have been delivered. In this connection the County covenants (i) that it will not take any action or omit to take any action if the taking of such action or the failure to take such action, as the case may be, will result in the interest on any of the Series 2002-B Warrants becoming includable in gross income for purposes of federal income taxation, (ii) that it will use the "proceeds" of the Series 2002-B Warrants and any other funds of the County in such a manner that the use thereof, as reasonably expected by the County at the time of issuance of the Series 2002-B Warrants, will not cause the Series 2002-B Warrants to be "arbitrage bonds" under Section 103(b)(2) and Section 148 of the Code and the regulations thereunder and (iii) that it will satisfy the requirements of Section 148(f) of the Code and the applicable regulations thereunder. The County further covenants and agrees that it will not permit at any time any "proceeds" of the Series 2002-B Warrants or any other funds of the County to be used, directly or indirectly, in a manner which would result in any Series 2002-B Warrant being classified as a "private activity bond" within the meaning of Section 141(a) of the Code. The officers and employees of the County shall execute and deliver from time to time, on behalf of the County, such certificates, instruments and documents as shall be deemed necessary or advisable to evidence compliance by the County with said Section 103(b)(2) and Section 148 and the regulations thereunder with respect to the use of the proceeds of the Series 2002-B Warrants. Such certificates, instruments and documents may contain such stipulations as shall be necessary or advisable in connection with the stated purpose of this section and the foregoing provisions hereof, and the County hereby covenants and agrees to comply with the provisions of any such stipulations throughout the term of the Series 2002-B Warrants.

Section 5.11 Article and Section Captions. The article and section headings and captions contained herein are included for convenience only and shall not be considered a part hereof or affect in any manner the construction or interpretation hereof.

IN WITNESS WHEREOF, the County has caused this Fifth Supplemental Indenture to be executed in its name and behalf by the President Pro Tem of the Governing Body, has caused its official seal to be hereunto affixed and has caused this Fifth Supplemental Indenture to be attested by the Minute Clerk of the Governing Body, and the Trustee has caused this Fifth Supplemental Indenture to be executed in its corporate name and behalf, has caused its corporate seal to be hereunto affixed and has caused this Fifth Supplemental Indenture to be attested, by its duly authorized officers, all in ten (10) counterparts, each of which shall be deemed an original, and the County and the Trustee have caused this Fifth Supplemental Indenture to be dated as of September 1, 2002, although actually executed and delivered on September 30, 2002.

JEFFERSON COUNTY, ALABAMA

By _____
President Pro Tem of the County Commission

ATTEST:

Minute Clerk of the
County Commission

[S E A L]

THE BANK OF NEW YORK, as Successor Trustee
under the Trust Indenture of Jefferson County,
Alabama, dated as of February 1, 1997

By: The Bank of New York Trust Company
of Florida, N.A., Its Agent

By _____

Its _____

ATTEST:

Its _____

[S E A L]

STATE OF ALABAMA)
 :
JEFFERSON COUNTY)

I, the undersigned authority, a Notary Public in and for said county in said state, hereby certify that Jeff Germany, whose name as President Pro Tem of the County Commission of JEFFERSON COUNTY, ALABAMA, a political subdivision of the State of Alabama, is signed to the foregoing instrument and who is known to me, acknowledged before me on this day that, being informed of the contents of the within instrument, he, as such officer and with full authority, executed the same voluntarily for and as the act of said county.

GIVEN under my hand and official seal of office, this _____ day of September, 2002.

[NOTARIAL SEAL]

Notary Public

My Commission Expires: _____

STATE OF ALABAMA)
 :
JEFFERSON COUNTY)

I, the undersigned authority, a Notary Public in and for said county in said state, hereby certify that _____, whose name as _____ of THE BANK OF NEW YORK TRUST COMPANY OF FLORIDA, N.A., a national banking association acting as agent for THE BANK OF NEW YORK, a New York banking corporation acting in its capacity as Trustee under the Trust Indenture of Jefferson County, Alabama, dated as of February 1, 1997, is signed to the foregoing instrument and who is known to me, acknowledged before me on this day that, being informed of the contents of the within instrument, he, as such officer and with full authority, executed the same voluntarily for and as the act of said banking association in its capacity as the agent of the Trustee as aforesaid.

GIVEN under my hand and official seal of office, this _____ day of September, 2002.

[NOTARIAL SEAL]

Notary Public

My Commission Expires: _____

354584.3

SIXTH SUPPLEMENTAL INDENTURE

between

JEFFERSON COUNTY, ALABAMA

and

THE BANK OF NEW YORK

Dated as of October 1, 2002

Relating to

\$839,500,000

JEFFERSON COUNTY, ALABAMA

Sewer Revenue Refunding Warrants

Series 2002-C

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between
JEFFERSON COUNTY, ALABAMA
and
THE BANK OF NEW YORK**

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- Exhibit A – Notice of Change to a _____ Rate
- Exhibit B-1 – Certificate Pursuant to Section 4.1(c)(i)(2) or 4.2(c)(i)(2) of the Sixth Supplemental Indenture
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- Exhibit B-3 – Notice Regarding Establishment of New Adjustable Rate
- Exhibit B-4 – Notice of Proposed Change in Percentages Used to Determine the All Hold Rate and the Maximum Auction Rate
- Exhibit C – Notice of Failure of Conditions
- Exhibit D – Notice of Proposed Conversion to Fixed Rate
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- Exhibit F – Notice of Failure of Conditions to Fixed Rate Conversion
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SIXTH SUPPLEMENTAL INDENTURE between **JEFFERSON COUNTY, ALABAMA**, a political subdivision of the State of Alabama (herein called the "County"), and **THE BANK OF NEW YORK**, a New York banking corporation, in its capacity as successor to AmSouth Bank of Alabama as Trustee under that certain Trust Indenture of the County dated as of February 1, 1997 (said banking corporation in such capacity, as well as any successor trustee under said Trust Indenture, being herein called the "Trustee"),

RECITALS

Under and pursuant to the provisions of the aforesaid Trust Indenture (herein called the "Original Indenture"), the County has heretofore issued \$211,040,000 principal amount of Sewer Revenue Refunding Warrants, Series 1997-A, dated February 1, 1997 (herein called the "Series 1997-A Warrants"), \$48,020,000 principal amount of Taxable Sewer Revenue Refunding Warrants, Series 1997-B, dated February 1, 1997 (herein called the "Series 1997-B Warrants"), and \$52,880,000 principal amount of Taxable Sewer Revenue Refunding Warrants, Series 1997-C, dated February 15, 1997 (herein called the "Series 1997-C Warrants"). The Series 1997-A Warrants, the Series 1997-B Warrants and the Series 1997-C Warrants were issued to refund certain indebtedness of the County that had been incurred to pay the costs of certain capital improvements to the County's sanitary sewer system (herein called the "System").

Under the provisions of Article X of the Original Indenture, the County reserved the right to issue, upon compliance with the conditions precedent set forth in said Article X, additional warrants, bonds, notes or other forms of indebtedness (herein called "Additional Parity Securities"), to be secured on a parity with securities previously issued under the Indenture, for the purposes of refunding any outstanding obligations of the County issued to finance capital improvements to the System and of financing the costs of acquiring and constructing capital improvements to the System. The County has heretofore issued as Additional Parity Securities its (a) its \$296,395,000 aggregate principal amount of Sewer Revenue Warrants, Series 1997-D, dated March 1, 1997 (herein called the "Series 1997-D Warrants"), (b) its \$952,695,000 aggregate principal amount of Sewer Revenue Warrants, Series 1999-A, dated March 1, 1999 (herein called the "Series 1999-A Warrants"), (c) its \$275,000,000 aggregate principal amount of Sewer Revenue Warrants, Series 2001-A, dated March 1, 2001 (herein called the "Series 2001-A Warrants"), (d) its \$110,000,000 aggregate principal amount of Sewer Revenue Capital Improvement Warrants, Series 2002-A, dated March 6, 2002 (herein called the "Series 2002-A Warrants"), and (e) its \$540,000,000 aggregate principal amount of Sewer Revenue Capital Improvement Warrants, Series 2002-B, dated September 1, 2002 (herein called the "Series 2002-B Warrants"). The Series 1997-D Warrants, the Series 1999-A Warrants, the Series 2001-A Warrants, the Series 2002-A Warrants and the Series 2002-B Warrants were issued under the Original Indenture, as supplemented and amended by the First Supplemental Indenture dated as of March 1, 1997 (herein called the "First Supplemental Indenture"), the Second Supplemental Indenture dated as of March 1, 1999 (herein called the "Second Supplemental Indenture"), the Third Supplemental Indenture dated as of March 1, 2001 (herein called the "Third

Supplemental Indenture"), the Fourth Supplemental Indenture dated as of February 1, 2002 (herein called the "Fourth Supplemental Indenture"), and the Fifth Supplemental Indenture dated as of September 1, 2002 (herein called the "Fifth Supplemental Indenture"), between the County and the Trustee.

The County proposes to sell and issue the Series 2002-C Warrants hereinafter referred to in order to refund certain of its previously issued sewer revenue warrants. The County has, by proper official action and pursuant to the provisions of the Original Indenture (as heretofore supplemented), duly authorized said Series 2002-C Warrants, which are to be secured by the Original Indenture, as supplemented hereby and by the First, Second, Third, Fourth and Fifth Supplemental Indentures, on a parity with the outstanding Series 1997-A Warrants, Series 1997-B Warrants, Series 1997-C Warrants, Series 1997-D Warrants, Series 1999-A Warrants, Series 2001-A Warrants, Series 2002-A Warrants and Series 2002-B Warrants (herein together called the "Outstanding Parity Securities"). This Sixth Supplemental Indenture has been executed and delivered in order to specify the details with respect to said Series 2002-C Warrants and to provide for certain other matters set forth herein.

NOW, THEREFORE, THIS

SIXTH SUPPLEMENTAL INDENTURE

WITNESSETH:

It is hereby agreed among the County, the Trustee and the holders at any time of said Series 2002-C Warrants (the holders of said Series 2002-C Warrants evidencing their consent hereto by the acceptance of said Series 2002-C Warrants), each with each of the others, as follows:

ARTICLE I

DEFINITIONS, FINDINGS AND USE OF PHRASES

Section 1.1 New Definitions. Unless the context clearly indicates a different meaning, the following words and phrases, as used in this Sixth Supplemental Indenture, shall have the following respective meanings:

"Adjustable Rate" means a Commercial Paper Rate, an Auction Rate, a Daily Rate, a Weekly Rate or a Term Rate.

"Affiliate" of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For purposes of this definition, "control", when used with respect to any specified Person, means the power to

direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

"After-Tax Equivalent Rate" means, on any date of determination with respect to Auction Rate Warrants during an Auction Rate Period, the interest rate per annum equal to the product of (x) the Commercial Paper/Treasury Rate on such date and (y) 1.00 minus the Statutory Corporate Tax Rate on such date.

"Agent Member" means a member of, or participant in, the Securities Depository.

"All Hold Rate" means, on any date of determination with respect to Auction Rate Warrants, the rate per annum equal to 65% (as such percentage may be adjusted pursuant to Section 3.10) of the lesser of (i) the Index on such date and (ii) the After-Tax Equivalent Rate on such date; provided, however, that in no event shall such All Hold Rate exceed the maximum rate, if any, permitted by applicable law.

"Alternate Credit Facility" means any Credit Facility obtained pursuant to the provisions of Section 6.3 in substitution for or in addition to an existing Credit Facility or Facilities. An Alternate Credit Facility shall be an insurance policy or instrument that provides for the payment when due of principal and interest on the Series 2002-C Warrants to substantially the same extent as the initial Policy.

"Alternate Liquidity Facility" means any Liquidity Facility obtained pursuant to the provisions of Section 6.2 in replacement of an existing Liquidity Facility.

"Applicable Percentage" means, on any date of determination, the percentage determined as set forth below (as such percentage may be adjusted for Auction Rate Warrants pursuant to Section 3.10) based on the prevailing long-term rating of the Auction Rate Warrants in effect at the close of business on the Business Day immediately preceding such date of determination:

<u>Prevailing Rating</u>	<u>Applicable Percentage</u>
AAA/Aaa	125%
AA/Aa	150%
A/A	200%
BBB/Baa	250%
Below BBB/Baa	275%

For purposes of this definition, the "prevailing long-term rating" of the Auction Rate Warrants will be (a) AAA/Aaa if the Auction Rate Warrants have a rating of AAA by S&P and a rating of Aaa by Moody's, or the equivalent of such ratings by a substitute rating agency or agencies selected as

provided below, (b) if not AAA/Aaa, then AA/Aa if the Auction Rate Warrants have a rating of AA- or better by S&P and a rating of Aa3 or better by Moody's, or the equivalent of such ratings by a substitute rating agency or agencies selected as provided below, (c) if not AAA/Aaa or AA/Aa, then A/A if the Auction Rate Warrants have a rating of A- or better by S&P and a rating of A3 or better by Moody's, or the equivalent of such ratings by a substitute rating agency or agencies selected as provided below, (d) if not AAA/Aaa, AA/Aa or A/A, then BBB/Baa if the Auction Rate Warrants have a rating of BBB- or better by S&P and a rating of Baa3 or better by Moody's, or the equivalent of such ratings by a substitute rating agency or agencies selected as provided below, and (e) if not AAA/Aaa, AA/Aa, A/A or BBB/Baa, then below BBB/Baa, whether or not the Auction Rate Warrants are rated by any securities rating agency.

If (x) the Auction Rate Warrants are rated by a rating agency or agencies other than Moody's or S&P and (y) the County has delivered to the Trustee and the Auction Agent an instrument designating one or two of such rating agencies to replace Moody's or S&P, or both, then for purposes of the definition of "prevailing rating" Moody's or S&P, or both, will be deemed to have been replaced in accordance with such instrument; provided, however, that such instrument must be accompanied by the consent of the Remarketing Agent. For purposes of this definition, S&P's rating categories of AAA, AA-, A- and BBB-, and Moody's rating categories of Aaa, Aa3, A3 and Baa3, refer to and include the respective rating categories correlative thereto in the event that either or both of such rating agencies have changed or modified their generic rating categories. If the prevailing ratings for the Series 2002-C Warrants are split between the categories set forth above, the lower rating will determine the prevailing rating.

"Auction" means each periodic implementation of the Auction Procedures for Auction Rate Warrants.

"Auction Agency Agreement" means the Auction Agency Agreement dated October 25, 2002, entered into between the County and the Auction Agent with respect to the Auction Rate Warrants, as from time to time amended and supplemented.

"Auction Agent" means any entity appointed as such pursuant to Section 10.7 and its successors and assigns.

"Auction Date" means, with respect to each Auction Period, the last Monday of the immediately preceding Auction Period (or such other day that the Remarketing Agent shall establish as the Auction Date therefor pursuant to Section 3.5); provided that, if such day is not a Business Day, the Auction Date shall be the next succeeding Business Day.

"Auction Period" means a Standard Auction Period applicable to the Series 2002-C Warrants, provided that each Auction Period shall begin on an Interest Payment Date and end on, but exclude, the next succeeding Interest Payment Date.

"Auction Procedures" means with respect to Auction Rate Warrants the procedures set forth in Sections 3.6 through 3.9.

"Auction Rate" means, with respect to Auction Rate Warrants and each Auction Period for such Auction Rate Warrants, the rate of interest per annum determined for the Warrants pursuant to Article III, which shall not in any case exceed the Maximum Auction Rate.

"Auction Rate Period" means any period during which Series 2002-C Warrants bear interest at an Auction Rate determined pursuant to the implementation of Auction Procedures established under Article III, which period shall commence on the effective date of a Change in the Interest Rate Mode to an Auction Rate and shall extend through the day immediately preceding the earlier of (a) the effective date of a Change in the Interest Rate Mode, (b) the Fixed Rate Conversion Date or (c) the Stated Maturity.

"Auction Rate Period Record Date" means, with respect to each Interest Payment Date during an Auction Rate Period, the Business Day next preceding such Interest Payment Date.

"Auction Rate Warrants" means, with respect to an Auction Rate Period, any Series 2002-C Warrants or subseries of Series 2002-C Warrants which bear the Auction Rate determined pursuant to Article III.

"Authorized Denominations" means (i) for Series 2002-C Warrants bearing interest at the Weekly Rate, the Daily Rate or the Commercial Paper Rate, \$100,000 or any larger amount that is a multiple of \$5,000, (ii) for Series 2002-C Warrants bearing interest at the Auction Rate, \$25,000 or any integral multiple thereof, and (iii) for Series 2002-C Warrants bearing interest at a Term Rate or a Fixed Rate, \$5,000 or any multiple thereof.

"Available Auction Rate Warrants" means, with respect to Auction Rate Warrants, Available Auction Rate Warrants as defined in Section 3.8.

"Bank Warrant" or "Bank Warrants" means any Series 2002-C Warrant or Warrants purchased by a Liquidity Provider (or any permitted assignee) pursuant to any Liquidity Facility (other than a surety bond or another instrument issued by a municipal bond or financial guarantee insurance company) for so long as it remains a Bank Warrant pursuant to such facility.

"Bank Warrant Interest Rate" or "Bank Rate", at any date of determination, has the meaning ascribed thereto in any Liquidity Facility (other than a surety bond or another instrument issued by a municipal bond or financial guarantee insurance company), provided that the Bank Warrant Interest Rate shall in no event exceed 18% per annum.

"Beneficial Owner" means, with respect to Auction Rate Warrants, a customer of a Broker-Dealer who is listed on the records of that Broker Dealer as a holder of the Auction Rate Warrants.